

PROCLAMATION

BY THE

Governor of the State of Texas

TO ALL TO WHOM THESE PRESENTS SHALL COME:

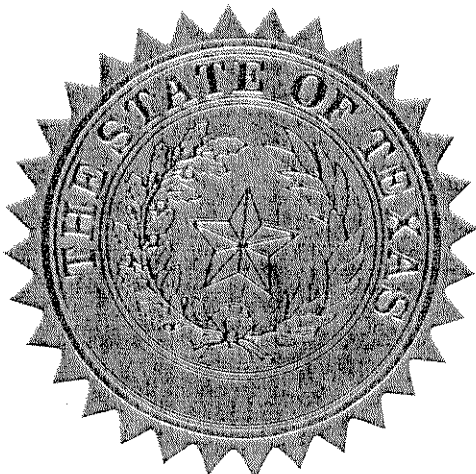
Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto Senate Bill No. 833 as passed by the Seventy-Ninth Texas Legislature, Regular Session, because of the following objections:

Senate Bill No. 833 would require that Travis County, should it create a reinvestment zone as part of developing a new commuter rail project, devote a portion of the tax increment finances created within the zone for building affordable housing. I respect the intent of this legislation. My administration strongly supports affordable housing and efforts to expand housing opportunities for working Texans.

However, local governments use tax increment financing to promote economic growth and redevelopment in designated areas. The success of these zones depends on local government officials and citizens setting priorities for the zone, as well as strong local management to see that the zone's intended purposes are met. These zones are intended to finance and implement complex economic development strategies to benefit an entire community, and certainly few projects will be as complex as those associated with a new commuter rail project in Travis County. For this reason, I oppose setting in state law the priorities of a reinvestment zone in Travis County.

Moreover, as the Texas economy continues to grow, our communities are meeting the challenges of expanding their transportation infrastructure. That is why I am opposed to diverting limited funding for critical transportation projects to any other purpose. While the reinvestment zone envisioned in Senate Bill No. 833 would not directly fund rail construction in Travis County, the zone is an integral part of making the rail line successful and promoting the economic vitality of the adjacent area. I am confident that officials and concerned citizens in Travis County will make wise decisions as to how best to use tax increment financing associated with any new commuter rail project, and meet the needs of all of the county's residents.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2005.

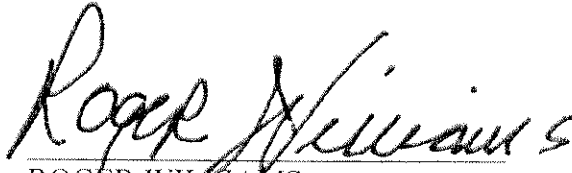
Rick Perry

RICK PERRY
Governor of Texas

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
2:30pm O'CLOCK

JUN 17 2005

ATTESTED BY:

A handwritten signature in black ink, reading "Roger Williams". The signature is written in a cursive style with a large, stylized "R" and "W".

ROGER WILLIAMS
Secretary of State